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Another State Hands Bush a Big Setback Even Unopposed in South Dakota, He Loses a Third of Voters

SIoux FALLS, South Dakota — President George Bush, for the second week in a row, has been buffeted by the electorate's strong feelings of dissatisfaction.

Running unopposed on the Republican ballot in the South Dakota primary, Mr. Bush was abandoned by nearly one-third of his party's voters.

hoped for a stronger finish, was third, with 19 percent, far behind Mr. Kerrey but well ahead of Paul E. Tsongas, the former Massachusetts senator, who had 10 percent.

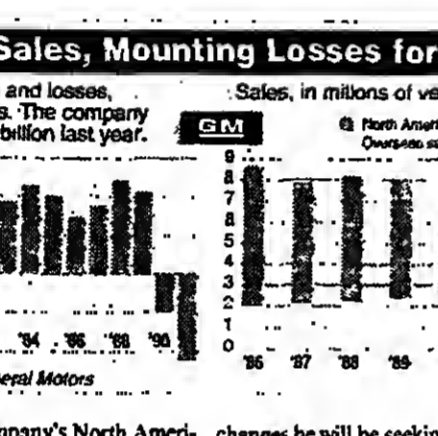
is Elvis Presley remembered the evening hip-swiveling and roller of the middle-aged lawyer.

Mr. Kerrey, who lost part of a leg in Vietnam and won the Medal of Honor, made it clear that he meant to use his war record to challenge Mr. Clinton in the South.

Portraying Mr. Clinton as unelectable, Mr. Kerrey told a Spelman College audience in Georgia.

Troubled GM Looks to European Model

By Frank Swoboda and Warren Brown WASHINGTON Post Service WASHINGTON — In the North American auto market last year, General Motors Corp. lost \$1 million an hour, 24 hours a day, seven days a week for 52 weeks.



other GM operations at home and abroad masked the staggering losses from the company's car and truck operations in North America.

shape the company's North American operations in the image of the company's European subsidiary, which earned \$2.1 billion last year.

changes he will be seeking from the United Auto Workers in the United States, particularly the use of three work shifts to keep factories open around the clock.

GM's European subsidiary is an organizational structure set up by Mr. Stempel when he was in Europe in the 1980s, before he became chairman.

A Congress Plan to Avoid a Final U.S.-Israeli Showdown on Loans

By John M. Goshko WASHINGTON Post Service WASHINGTON — In an attempt to keep alive the possibility of U.S. loan guarantees for Israel, Secretary of State James A. Baker 3d and congressional leaders are considering a plan that would let Mr. Baker decide whether Israel's future settlements activity entitles it to the U.S. aid, according to sources familiar with the discussions.

If that happens, Congress may not be able for a year or more to act on the loan guarantees as part of the normal foreign aid authorization process.

Under the Leahy plan, Israel would be allowed to complete any housing that was under construction in the territories on Jan. 1, 1972, but the dollar-for-dollar costs would be deducted from the loan guarantees.



WAR AND REMEMBRANCE — Women in Kuwait waving flags as U.S. Air Force planes marked the first anniversary of the country's liberation from Iraqi occupation.

Irish Court Sides With 14-Year-Old On Abortion

Girl Alleging Rape Can End Pregnancy, Denial Had Set Off an Uproar

By James F. Clarity New York Times Service DUBLIN — Overturning the controversial decision of a lower court, the Supreme Court ruled Wednesday that it was legal for a 14-year-old girl to travel to Britain for an abortion.

At the time the ban was instituted, the girl, whose identity remained veiled, was already in London preparing for the abortion.

Critics called the law and the order not to have the abortion barbaric. Anti-abortion proponents insisted that Article 8 of the constitution, approved by 69 percent of the voters in a 1983 referendum, was morally correct.

"I am delighted," said Prime Minister Albert Reynolds, in London. "The family is now free," he said, but he declined to speculate on what action the government might still have to take.

Kiosk Albanians Storm Food Warehouses TIRANA, Albania (AP) — Thousands of young people stormed food warehouses and battled the police in two towns, leaving at least three dead, Radio Tirana and government officials reported Wednesday.



PALESTINIANS REJECT DEAL — An Israeli negotiator, Elyakim Rubinsteyn, discussing proposals to give Palestinians more control over daily life. They assailed the offer, Page 4.

Panel Finds Progress by Unesco But Warns Against Backslide

By Barry James International Herald Tribune PARIS — The United Nations Educational, Scientific and Cultural Organization has made extensive progress in reforming its administration and management, according to a report made public Wednesday.

The government is said to be worried that it might have to call for another divisive national referendum on abortion. That is because in the Maastricht Treaty establishing a reformed Europe, there is a protocol that appears to permit Ireland to continue to prevent women from traveling abroad for abortions.

San Marino Joins the World, and Wonders Why

By Alan Cowell New York Times Service SAN MARINO — It has taken some time for the winds of change to sweep from the Caucasus and the Carpathians to this rocky redoubt that forms a graceful mole on Italy's thigh.

resident population of 24,000 and surrounded by Italy, meet the criteria of statehood. Here, along cobbled streets, in a place of stone stairways and crenelated battlements, the answer among government officials is a resounding yes.

The republic was not always so at ease with outsiders. "Up until 20 years ago," Mr. Gatti said, "San Marino conducted a very closed policy. But since then, it's been very open."

Gorbachevs Stretch the Ruble

LONDON — The former Soviet president, Mikhail S. Gorbachev, complained in an interview broadcast Wednesday that he had been finding it hard to make ends meet on a state pension since his abrupt removal from power.

Of all the trappings of power, only the black Zil limousine and 10 bodyguards paid for by the Russian government have been retained.

Palestinians Scoff At Israel's Plan for Limited Self-Rule

The Associated Press

WASHINGTON — Israel is offering Palestinian Arabs control of their internal security, agriculture, education and a wide range of other day-to-day activities on the West Bank and in Gaza, diplomatic sources disclosed Wednesday.

But a Palestinian spokeswoman, Hanan Ashrawi, angrily charged that the aim was to consolidate Israel's occupation of the disputed territories.

"We start with the assumption that we are human beings with rights, national rights and rights on the ground," she said, after a meeting with Assistant Secretary of State Edward F. Djerejian. "They start with the assumption that we are inhabitants of the territories with no rights whatsoever," she said.

The 10-page document Israel turned over to Palestinian negotiators Monday and denounced by their spokeswoman would maintain Jewish settlements in the disputed territories.

"There is no offer in it for a redeployment of Israeli troops, observers said, but Israeli officials said that could be considered later.

The Israeli proposals were in response to a Palestinian plan that Israeli officials described as a thinly veiled demand for statehood. Under it, Palestinians on the West Bank and Gaza would take on legislative, judicial and executive powers.

As the negotiations in the fourth round of peace talks resumed at the State Department, differences over the Palestinians' future were deep. While no one was threatening a walkout, the pace was extremely slow.

Eager to prove they mean busi-

ness, observers said, Israeli negotiators handed the Palestinians "rather elaborate ideas" for limited self-rule. The chief Israeli negotiator, Elyakim Rubinstein, said: "We hope the Palestinians will be seriously considering them."

But Mrs. Ashrawi ridiculed the document, which Israeli sources said listed specific functions Palestinians would take over.

She said the proposals were preposterous, designed to perpetuate Israeli settlements in the West Bank and Gaza and to foster apartheid, or racial separation.

While Mr. Rubinstein provided no details, other sources said Israel proposed having Palestinians control their own justice, agriculture, education, taxation, tourism, social security and labor offices. They would set wages, social security benefits and otherwise "totally run" these departments, the sources told The Associated Press.

Limited self-rule for the 1.7 million Palestinians is one of the main goals of the peace talks, which began in Madrid in October.

Israel calls its proposals Interim Self-Government Arrangements. The Palestinian plan is called Palestinian Self-Government Authority. According to Israeli officials, the Arabic translation for "authority" is government.

The Bush administration and Israel have both ruled out a Palestinian state as an option in the current negotiations.

Even selecting the site for the next round of talks is a problem.

Mr. Rubinstein said only his government had responded to a U.S. request for suggested locations.

"It's a pity time has to be wasted on such things," he said.



IN RIO, CARNIVAL AND FEAR OF CRIME — Military policemen arresting a child in Rio de Janeiro as the city prepared for Carnival. More than 10,000 people demonstrated against crime Wednesday. Hotelkeepers and travel agents are concerned about a 45 percent drop in tourism.

STATELY: Tiny San Marino Will Get Its Seat at UN

(Continued from page 1)

when Italy's fascists installed a puppet government that lasted until 1943. San Marino claimed neutrality in the war.

In the latter stages of the war, 100,000 Italians took refuge here, living in railroad tunnels. Despite its neutral status, Allied planes bombed the republic in 1944, killing 60 people, and German troops crossed the territory before the war ended in 1945.

San Marino's ability to survive as an independent state, Mr. Gatti said, "is a mystery for San Marino, too."

"San Marino is very small, on a mountain," he said. "It was not an easy place to conquer, but it had no strategic value."

These days, some here say, the value is of a different kind. While around one-third of its citizens — some 11,000 in addition to the 24,000 living here — are outside the

country, predominantly in Italy, New York and Detroit, those who have remained seem to prosper.

"San Marino was once a very poor country," Mr. Gatti said, "now it's much richer."

For some outsiders, the state, with its capital of 4,000 people, seems no more than an adjunct of Italy and, privately, some here acknowledge that the authorities would not depart too abruptly from Italian policies and practices.

Stasi Chief Calls Trial 'Fraud'

Compiled by Our Staff From Dispatches

BERLIN — The former East German security police chief, Erich Mielke, denounced his trial for two 1931 murders as "lies and fraud" on Wednesday and demanded his freedom.

The Berlin court rejected defense motions for the trial to be canceled on health grounds, saying that Mr. Mielke, 84, was using an exercise bicycle in jail and had once crawled under his bed "like a weasel" to retrieve something.

The court also rejected arguments that Mr. Mielke was senile and too depressed to attend the trial, and that the charges, dating from 1934, had exceeded a 20-year statute of limitations.

Judge Theodor Seidel ruled that the charges were still valid, since the Soviet occupation forces in Ber-

lin had expropriated the dossier in 1947, thus preventing examination of the case and causing the statute of limitations to be suspended.

He said that informal investigations made while Mr. Mielke was awaiting trial in prison showed that he was psychologically capable of attending the trial.

Once, when an object fell under his bed, "Mielke slipped like a weasel under the bed" to pick it up, the judge said.

Mr. Mielke, who was seated behind bulletproof glass, shouted, "Leave me alone! It's all lies and fraud!" after prosecutors read out the charges. "I demand my release and the suspension of this trial! I am innocent. I didn't do anything."

He is accused of shooting and killing two Berlin policemen in 1931 during Germany's chaotic

Weimar Republic when he was a young Communist militant. He commanded East Germany's Stasi apparatus from 1957 to the uprising of 1989, which brought about German reunification a year later.

Mr. Mielke is to be tried separately for offenses perpetrated in East Germany, including human rights abuses, vote rigging and embezzlement.

(Reuters, APF)

UNESCO: Panel Finds Progress

(Continued from page 1)

anti-free-market rhetoric had ceased to be a problem and that they recognized that Unesco was trying hard to create a more independent, professional and dynamic management.

But, as the report said, "it took many years for the organization to fully develop the set of problems it had in 1989 and it will take some years to rectify them."

Peter Wilenski, the Australian representative to the United Nations and chairman of the panel, said there was no longer any objective reason for the United States, Britain and Singapore to remain on the outside.

"The period in which their non-membership promoted reforms is over," he said. "Being in the organization would be a more effective way of promoting future reforms."

C.L. Sharma, the former head of Air India, who was brought in to carry out the management changes,

French Socialists Plunge in Polls

Reuters

PARIS — Support for France's ruling Socialist Party has plummeted following the admission of the Palestinian leader, Georges Habis, for hospital treatment, according to an opinion poll published Wednesday.

Only 17.5 percent of those polled said they would vote for the Socialists in parliamentary elections, compared with 22 percent of those questioned last month before the scandal broke.

The poll, due to appear in Paris Match magazine on Thursday, showed that the two main ecology parties taken together were almost as strong as the Socialists, with 17 percent. The mainstream conservative parties, the Rally for the Republic and the Union for French Democracy, scored 28 percent and 12 percent, while the extreme-right National Front was up 2.5 percent from 15.5 percent in January.

Drug War Allies Vow a New Attack

Compiled by Our Staff From Dispatches

SAN ANTONIO, Texas — President George Bush joined Latin leaders here Wednesday for their second meeting in two years on the hemisphere's drug crisis, and they promised to redouble their efforts to choke off both narcotics supplies and the big U.S. demand for drugs.

"We're going to get maximum cooperation," Mr. Bush said as he met with President Alberto Fujimori of Peru.

But even as the leaders gathered, Mr. Bush was facing criticism at home that his multibillion-dollar strategy to fight drug trafficking had been ineffective, with U.S. cities still flooded with ample, cheap supplies.

"We're going to build on the Cartagena meeting," Mr. Bush said. "We're going to get maximum cooperation. We're going to redouble our efforts on the demand side and on the supply side."

Mr. Fujimori said the problem could not be fought by merely cutting off supplies. Asked if Peru needed more U.S. aid, Mr. Fujimori said, "Oh, sure."

Mr. Bush pitched in, "Everybody does — including us."

The meeting expands on the meeting two years ago in Cartagena, Colombia, where Mr. Bush met with the leaders of Colombia, Bolivia and Peru, the principal drug production countries in the hemisphere.

Joining in the two-day meeting in Texas are the presidents of Mexico and Ecuador and the foreign minister of Venezuela. Illegal drug trafficking in those countries have been increasing as the Andean nations cracked down.

The leaders are expected to produce renewed commitments and strategies for halting the flow of drugs to the United States, the chief consumer nation, and helping poor farmers who grow coca leaves for cocaine to convert to other crops.

(AP, UPF)

POLITICS: Another State Hands Bush a Big Setback

(Continued from page 1)

Atlanta, "Duty means that when the call comes, you answer."

"Today the call is not a war in Southeast Asia," Mr. Kerrey said. "It is a war going on right here."

Mr. Kerrey's chief spokesman, Mike McCurry, said he expected the race for the Democratic nomination to evolve quickly into a contest between Mr. Kerrey and Mr. Clinton, a "war of attrition" to accumulate national convention delegates. Asked about Mr. Tsongas, Mr. McCurry said he may remain in the race for delegates but added, "There's a real possibility he is a one-state wonder."

A clear loser on Tuesday night was Mr. Tsongas, the upset winner of the New Hampshire primary. He flopped in his first contested venture outside his native New England. His performance is certain to renew questions about his national appeal.

The other clear loser was Mr. Harkin, who needed a win in South Dakota just as much as Mr. Kerrey did. The Iowa has vowed to continue through next week's contests, but his cash-starved campaign was struggling even before the disappointing results.

With all 1,010 South Dakota precincts tallied, this was the vote:

Democrats	
Kerrey, 23,974	40%
Harkin, 15,153	25%
Clinton, 11,421	19%
Tsongas, 2,756	10%
Brown, 2,304	4%
Republicans	
Bush, 30,948	69%
uncommitted, 13,716	31%

In the race for national convention delegates, Mr. Bush was leading, with 14; five were uncommitted.

Among the Democrats, Mr. Kerrey got seven; Mr. Harkin five, and Mr. Clinton three. *(AP, WP, NYT)*

GM: Troubled U.S. Carmaker Sees Model in Europe

(Continued from page 1)

closed down a certain number of operations, sold some operations and achieved some innovative work-rule changes," said a GM official. "He also had a very small, lean central-office structure with a much smaller support staff."

"GM does not break down its losses on a geographical basis, but

greater efficiencies in assembly operations, particularly reducing work rules and the like, he said, with another \$1 billion a year in new efficiencies from GM's stamping operations.

"GM's major problems are in organization and cost structure," Mr. Harbour said.

However, he said, the company has another potential problem in the form of the United Auto Workers union.

"The great unknown is whether the UAW will stand in the way of GM's efforts to become more productive," Mr. Harbour said. If the UAW cooperates with GM, he said, "Stempel can turn this company around pretty quickly."

But in the meantime, talk is not cheap at GM.

At the rate the meter was running last year, GM racked up a loss of \$1.2 billion in the one hour and 10 minutes Mr. Stempel took to announce the record losses and corporate cutbacks.

Duel of Wings Between Jets At N.Y. Airport

The Associated Press

NEW YORK — Two airplanes caught their wings on each other while rolling toward a runway at Kennedy International Airport. About 300 Paris-bound passengers had to wait while the planes were pulled apart, the police said.

"They just touched," a police officer said. "They were hung up on each other a short time."

He said Tuesday that a TWA 747 headed for Paris and an Air France 747 cargo plane were both moving into position for takeoff when the right wing tip of the Air France plane hooked onto the TWA's left wing tip.

Fuel was shifted in each plane to tilt the planes away from one another so they could be moved apart. The planes sustained only minor damage and no one was injured.

The 300 TWA passengers waited on the plane while the two aircraft were separated, then were taken back to the terminal to await another flight.

2 Sons of 'Godfather' Guilty in N.Y. Extortion

Reuters

NEW YORK — Two men whose father was the model for "The Godfather" in Mario Puzo's best-selling novel pleaded guilty on Wednesday to charges that they controlled trucking in Manhattan's Garment District, and they agreed to get out of the business.

Thomas and Joseph Gambino, 62 and 55 respectively, sons of Carlo Gambino, the founder of the Gambino crime family, also agreed in a surprise plea bargain to pay a \$12 million fine. The plea agreement abruptly cut short their trial in Manhattan criminal court. They were accused of extortion, restraint of trade, larceny and operating a corrupt enterprise.

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China Denounces Senate Trade Vote

Beijing Warns of Damage To Relationship With U.S.

Compiled by Our Staff From Dispatches
BEIJING — China on Wednesday angrily rejected a Senate bill that attached conditions to the renewal of Beijing's preferential trade status with the United States, warning that it would harm relations.

"The bill violates the principle of mutual benefit of bilateral trade," the Foreign Ministry said in a statement on national radio, "and the Chinese side rejects this and will never accept it."

"This kind of conditionality will harm bilateral trade and diplomatic relations," it said.

The Senate on Tuesday approved a bill linking the renewal of China's most-favored-nation trade status to improvements in human rights, trade and missile proliferation. But the 59-to-39 vote fell short of the two-thirds majority needed to override an expected presidential veto.

The vote did, however, mark the first time since the military crackdown on dissent in 1989 that a bill to penalize China's growing exports had emerged from Congress.

Washington first granted China most-favored-nation status, which gives Chinese exports to the United States preferential tariff treatment, in 1980. It has been renewed on a year-by-year basis since then. The trade status for this year expires on June 3.

The Senate bill, which now goes to the White House, would require China to provide a full accounting and the release of prisoners arrested during the June 1989 demonstrations for democracy in Tiananmen Square.

It also calls for the curtailment of "gross violations of internationally recognized human rights," the termination of trade practices restricting the import of U.S. goods and services, and action to protect U.S. patents, trademarks, technology and other "intellectual property."

The bill demands that China take "clear and unequivocal steps" to prevent the transfer of high-performance missiles, chemical and biological weapons and nuclear-weapons technology to other countries.

Despite what senators described as an interesting and worthwhile debate in a rare closed session, Republicans suggested that the Democratic leadership was trying to use the Chinese trade measure to embarrass President George Bush in an election year.

The Chinese government has few friends in Congress, but most Senate Republicans agreed with the Bush administration that pressuring the Beijing government could be accomplished best through diplomacy or trade sanctions. This view holds that attaching conditions to most-favored-nation status compromises U.S. leverage without obtaining anything in return.

Murder of Californian Takes Japan-Bashing Beyond Words

By Seth Mydans
New York Times Service
LOS ANGELES — The stabbing death this week of a Japanese-American businessman who had reportedly been the target of anti-Japanese remarks and a death threat has heightened fears among Japanese-Americans of a spread of racial harassment.

News of the killing of the man, Yasuo Kato, 49, a real estate consultant in the Ventura County town of Camarillo, spread quickly among Japanese-Americans in the area. It added to a sense of uneasiness that community leaders said had been caused by a recent spate of ugly incidents.

Recent incidents reported by Asian-American organizations include a cross-burning outside an Asian restaurant in the Los Angeles suburb of Lakewood last month; stones thrown through the windows of a Japanese home in the suburb of Bellflower last week; and a gasoline bomb thrown at a Japanese couple in the San Francisco area on the Dec. 7 anniversary of the bombing of Pearl Harbor.

Mr. Kato was found dead in his garage on Monday, two weeks after a confrontation with two men who had threatened to kill him and who had made remarks about job losses because of the Japanese, said Vince France of the county sheriff's department.

The regional director of the Japanese-American Citizens League, Jimmy Tokeshi, said: "In light of all the different racial harassment incidents and Japan-bashing, I think there is heightened anxiety with the news that this guy has been killed, regardless of what the actual motive was."

Prominent Asian-Americans say that such incidents have been spreading as Japan has become the focus of America's economic difficulties and that they have intensified since the Pearl Harbor commemoration.

Both in California and around the nation, leaders of Asian-American organizations said, anti-Asian bias appears to be taking a more concrete form, from racial comments to vandalism and graffiti, to hate mail and rock-throwing.

Increasingly, Mr. Tokeshi said, Asian-Americans are finding that "it's frightening to think what types of attitudes are out there."

Mr. France said that the motive for the killing of Mr. Kato was still under investigation and that there were no suspects.

But he said his office had received a report last week from Mr. Kato's son, Toshiyuki, about a death threat to his father.

Quoting from the police report, Mr. France said that two men arrived at Mr. Kato's home on a motorcycle on the evening of Feb. 9, and that one of them approached and knocked on his front door.

"The individual stepped inside the entryway and made a comment to the effect that he was an unemployed American worker and that he lost his job because of the Japanese and that he wanted money," Mr. France said. "Mr. Kato pushed the man out of the house, closed the door and heard the man say that he knew where he lived and that he would come back and kill him."

Mr. France said Mr. Kato had apparently been killed between 10 P.M. Sunday and 2 A.M. Monday after returning from a grocery store, and that a bunting knife had been found beside the body on the floor of the garage.

Reacting to the killing, the executive director of the Los Angeles City Human Relations Commission, Ron Wakabayashi, said a disturbing element in recent incidents was that they appeared to have been more premeditated than in the past.

The national director of the Japanese-American Citizens League, Dennis Hayashi, said: "More and more, this Japan-bashing and 'Buy American' movement is manifesting itself not just in simple name-calling but in threats of physical violence."

Supporters of conditional most-favored-nation status, however, said they believed that Mr. Bush's policy had been insufficient and that stronger measures were necessary.

"As long as they have a friend in the White House," Senator George J. Mitchell, the majority leader, said of the Chinese government, "they can do whatever they want."

"The president's policy has had more than two years to achieve its stated goal," said Mr. Mitchell, Democrat of Maine. "It has failed. It is time to change the policy."

Most-favored-nation status grants a country the lowest tariffs the United States is authorized to give.

Mr. Mitchell also cited China's occupation of Tibet and its \$12.69 billion trade surplus with the United States last year, the second-largest surplus, after that of Japan.

(Reuters, WP, NYT)



GULF WAR REMEMBERED — In Greensburg, Pennsylvania, families of soldiers killed during the Gulf War cried during the dedication of a monument to them. The soldiers, part of Greensburg's 14th Quartermaster unit, died during a Scud missile attack.

Dispute on Trade Talks

China reported major breakthroughs on Wednesday in talks aimed at opening up its market to U.S. exports, but the top American negotiator said discussions had made no progress whatsoever. Reuters reported from Beijing.

Unpublished Chinese rules and regulations on trade and investment were a key sticking point, U.S. negotiators said.

"Both sides attained a better understanding of each other's position, and major breakthroughs were recorded during the meeting," the official Xinhua press agency said in a report on the opening round of talks here Monday. It said progress on some specific issues was made.

But the assistant U.S. trade representative, Joseph A. Massey, said at a news conference Wednesday, "I cannot report that there has been a specific item of progress that has been made."

UN Atom Agency Near Pact on North Korea Visit

By Michael Z. Wise
Washington Post Service
VIENNA — The International Atomic Energy Agency is close to agreement with North Korea on sending experts to visit North Korean nuclear plants before Pyongyang ratifies an accord to allow inspections by the United Nations agency, a senior agency official said.

North Korea signed a safeguards accord Jan. 30 with the Vienna-based agency. But U.S. officials have said recently that Pyongyang could be only months away from nuclear-weapon capability and may be seeking to stall inspections until it is able to produce weapons-grade plutonium.

Representatives of several countries told the agency's board of governors that it was imperative that inspections begin before June.

Washington's representative, Richard T. Kennedy, urged North Korea to submit an inventory of all its nuclear materials and designs of its plants to the agency before the safeguards accord was ratified so that inspections could begin quickly. The accord does not require that such an inventory be submitted until 30 days after the end of the month in which the pact is ratified.

The head of North Korea's delegation, O Chang Rim, said that the Supreme People's Assembly would ratify the accord in April and that agency inspections could begin in early June.

"There is no possibility that it will be rejected," he said, adding that North Korea would not allow "unilateral pressure" or "interference in our internal affairs to insult our country's sovereignty and national dignity."

The senior agency official said that talks on arranging a visit before ratification are "pretty close to agreement on when and who."

"We're optimistic it could be before April."

The sites to be visited have not been settled, but the official expressed hope that they would include a nuclear complex near Yongbyon, north of Pyongyang.

U.S. intelligence sources have said North Korea is approaching weapons capability at Yongbyon.

North Korea is strengthening defenses of its nuclear plants with tunnels and anti-aircraft weaponry, The Associated Press reported Wednesday from Seoul, quoting local news reports.

U.S. intelligence information shows the number of anti-aircraft gun bases around North Korea's nuclear facilities in Yongbyon has increased recently from 5 to about 40," the South Korean press agency Yonhap quoted a senior military official as saying.

South Korean officials accused North Korea on Wednesday of stalling for time to build nuclear weapons despite its newly expressed willingness to accept nuclear inspections.

"We understand North Korea is digging tunnels in Yongbyon," Yonhap quoted an official as saying at headquarters of the Joint Chiefs of Staff.

South Korea's assistant foreign minister, Chang Man Soon, said Wednesday, "By June, North Korea will be able to have some weapons-grade plutonium."

In Slaughtering Troops, Rebels Signal to Manila They Are Far From Out

By William Branigan
Washington Post Service
MANILA — The slaughter of more than 40 soldiers in a guerrilla ambush in the southern Philippines has shocked the government of President Corason C. Aquino and served notice that one of the world's last Communist insurgencies is far from finished.

In the attack on Feb. 15, guerrillas of the New People's Army, the armed wing of the outlawed Communist Party of the Philippines, ambushed a company of about 100 Philippine army troops on a mountain road near Maribato in the Sarigao del Sur Province on the southern island of Mindanao, killing at least 41 and wounding two dozen.

Survivors said the rebels, who included boys 12 to 15 years old, systematically executed wounded soldiers with the rank of sergeant and above, beheaded five officers, gouged out the eyes of the company commander and looted valuables from the dead.

The National Democratic Front, a political umbrella group that speaks for the Communist Party, said it would investigate the "so-called atrocities" but said "no evidence" of "savagery" by the New People's Army had been produced.

The ambush illustrated the brutal nature of the Philippines' 23-year guerrilla war, which has claimed thousands of lives and produced widespread human rights violations on both sides.

In a report on the Philippines issued Wednesday, Amnesty International criticized the Aquino government for giving the military "free rein to fight the armed opposition," a practice the group says has led to hundreds of "extrajudicial executions" and spawned "unofficial military and vigilante groups."

[The Philippine military rejected the Amnesty International report on Wednesday and accused the Communist Party of ignoring rebel atrocities. Reuters reported from Manila.]

The armed forces chief of staff, General Armando Abadía, said the report was a biased repetition of old charges and was apparently part of an orchestrated attempt to discredit the military.

[General Abadía called on Amnesty International to explain the purpose of singling out the Philippine military and "turning a blind eye" to the "atrocities" committed by the Communists.]

For the Philippine armed forces, the recent ambush represents the other side of the human rights coin. But besides calling attention to alleged abuses by the New People's Army, the ambush has underscored some widely held criticisms of the military, including poor small-unit tactics, sloppy soldiering and the sale of army weapons to the rebels.

The attack also has been something of an embarrassment for Mrs. Aquino, who on Tuesday celebrated the sixth anniversary of taking office in the 1986 "people power" revolt that toppled the corrupt, authoritarian government of President Ferdinand E. Marcos. The restoration of democracy by Mrs. Aquino had fostered hopes that the insurgency would fade, and in recent weeks she and military leaders had been claiming virtual victory over it.

General Abadía said last month that the number of New People's Army guerrillas had dropped to about 15,000 from a peak of nearly 26,000 in mid-1988. He forecast that by the end of this year, they would no longer pose a major security problem.

Although the collapse of communism abroad and the institution of democratic reforms here have thrown the rebel leadership into some disarray, Western analysts say the country's insularity, a paucity of government services, continuing poverty and other root causes of rebellion, along with the prospect of chaotic elections in May, have combined to keep the rebels in business.

The New People's Army insurgency "ebbs and flows," a diplomat who monitors it said.

"While it's on the defensive now, it is certainly far from dead," the diplomat said. "I think it will be a fact of life in this country for another decade at least."

In Secret Cable, Mao Noted Risk of Invading Korea to Foil U.S. Power

By Seth Faison
New York Times Service
NEW YORK — The publication of a secret cable from Mao to Stalin in 1950 has provided the first documentary evidence of the Chinese leader's intentions in his risky decision to enter the Korean War and engage U.S. forces in combat, answering questions that have puzzled scholars for decades.

The telegram and other documents that have recently been made public in the West have also persuaded historians that Stalin agreed to, and then abruptly canceled, a Chinese request for Soviet air cover during the attack.

"If we allow the United States to occupy all of Korea," Mao wrote in the Oct. 2, 1950, cable, "Korean revolutionary power will suffer a fundamental defeat and the Americans will run rampant and have negative effects for the entire Far East."

The cable explicitly recognized that the United States might bomb Chinese cities in retaliation for its entry into the war, but asserted that the destruction of the U.S. forces in Korea was a goal worth the risks.

Two weeks after that summary of strategic thinking was sent to Stalin, Chinese soldiers invaded North Korea, where they surprised the U.S. troops who were spearheading the United Nations effort to protect the South Korean government of Syngman Rhee.

The cable is among hundreds of documents that were published in Beijing in 1987 and 1990 as a collection of Mao's 1949-1951 papers. Although they were intended only for senior Chinese officials and historians, several copies have been obtained by scholars in the United States.

The documents also offer a glimpse at diplomacy between the Communist giants.

Scholars now assert that after Stalin reneged on air cover and army supplies for the Chinese invasion, originally set for Oct. 15, Mao froze preparations and reassessed China's position, but decided with his Politburo by Oct. 13 to go ahead. It began on Oct. 19.

The invasion, by 260,000 Chinese troops, surprised U.S. commanders in Korea and forced them into the greatest retreat in U.S. military history. The deadlock that followed, after three years of bitter fighting, left the Korean Peninsula divided, as it has been since.

At the time the telegram was sent, General Douglas A. MacArthur, the commander of UN forces in Korea, openly doubted China's willingness to enter Korea with an army that was fatigued from years of battle in its own civil war.

The Americans also ignored warning signals sent by Beijing as UN troops advanced north of the 38th Parallel, which had separated the territories under Soviet and U.S. control since the Japanese withdrew in 1945.

Because the Chinese troops moved undetected at the outset, the scope of their military presence was not fully grasped by General MacArthur until late November, when the Chinese began unrelenting bugs night assaults — sometimes called "human wave" attacks — on the UN forces.

At the time, some policymakers in Washington believed that the Chinese troops had been sent on orders from the Soviet Union, and that Moscow controlled a monolithic Communist Bloc. Although historians have since learned of the complex antagonism between Mao and Stalin, no documentary evidence has before been seen about what led Mao and his colleagues to their fateful decision.

"Now we really have inside information about decision-making," said Allen S. Whiting, a professor of political science at the University of Arizona, who wrote "China Crosses the Yalu," a 1960 book about China's entry into the war. "These papers have been very illuminating."

Professor Whiting, whose theory that China entered the war out of a feeling of defensive necessity has been borne out in the documents, said he was surprised by the extent to which Mao worried about anti-Communist forces within China at the time of the war.

Mao at first hesitated to enter the war, Professor Whiting said, partly because of what he perceived as a threat of lingering opposition to the Communist government set up only a year earlier, in October 1949. But by late September 1950, Professor Whiting said, Mao became convinced that a significant U.S. presence in Korea might lead to an U.S.-backed offensive by the Communists' enemy, the Nationalists, who had been expelled from the mainland but still posed a threat from Taiwan.

Scholars who have studied the documents warned that they should be viewed with the knowledge that in the past, Chinese papers have often been altered to paint political leaders in a favorable or unfavorable light. Although the complexity and internal consistency of those documents point to their authenticity, there are other limitations.

"The problem is that they are fragmentary," said Michael Hunt, professor of political science at the University of North Carolina, who is also writing about the documents. "This is a cable in a series of exchanges between Mao and Stalin. We don't know what's been said so far."

In the Oct. 2 telegram, Mao refers to much-needed assistance from Moscow, Stalin apparently agreed in the following days to provide air cover, but then reversed himself on Oct. 10.

Prime Minister Zhou Enlai went on a secret trip to Moscow to try to persuade Stalin to support the Chinese attack, but was unsuccessful. In a cable to Mr. Zhou on Oct. 13, Mao wrote that China's Politburo had backed the decision to go to war anyway.

The documents also fail to reveal whether Chinese leaders were part of any direct planning for the June 25, 1950, attack by Kim Il Sung that began the war. It is likely, scholars say, that Mao knew of Kim's intentions but not of his timing.

2 Die in 2d Shooting At Brooklyn School

The Associated Press
NEW YORK — Two students were shot and killed inside Thomas Jefferson High School in Brooklyn on Wednesday and a third student was arrested, less than an hour before Mayor David N. Dinkins was scheduled to speak there.

It was the school's second fatal shooting since November. A 17-year-old was shot in the head, and a 16-year-old was shot in the chest, the police said. A student around 15 years old was arrested and a gun was recovered, according to the authorities.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Politics of Peace

Voters Will Have a Say

The conventional wisdom attending the Middle East peace talks is that they are going nowhere fast, what with the fresh violence in the region and the opening of long political campaigns in both the United States and Israel. But this is to misread the evidence across the board.

Bush Should Be Firm

President George Bush, target of repeated primary campaign criticism for convenient flips and flops, deserves respect for sticking to principle on loan guarantees in Israel. "I'm not going to shift the foreign policy of this country because of political expediency," he said on Tuesday, and the terms that Secretary of State James Baker has now spelled out demonstrate his conviction: The administration will not support \$10 billion in guarantees for loans to aid absorption of Jews from the former Soviet Union unless Israel agrees to freeze its vigorous construction of new Jewish settlements on the West Bank and in Gaza.

A New Olympic Era

Even during the Cold War, the Olympic Games usually provided time out for a thaw: People on both sides of the great divide did not let their differences keep them from liking and sometimes making heroes of, the talented strangers from the other bloc who showed up on their television screens every four years. There was, nevertheless, always an awareness of sports being used as a surrogate for the bigger games of world power and East-West rivalry. Now, finally, that is gone, and as the Winter Games that end on Sunday make clear, the Olympics will be the better for it.

Other Comment

No Choice in South Africa

South Africa's white people have no real alternative to President F. W. de Klerk's private map to black majority rule in two years. The dismantling of apartheid cannot be undone. White abandonment of much of the country for a "white homeland" is neither tenable nor popular. The isolation that would accompany a reversal of policy would outstrip all that went before.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman

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Look Up, Europe, the Eastern Frontier Has Opened

By Brian Beedham

LONDON — It is time for Europeans to make an act of imagination. The act is directed toward Europe's east, but it draws upon a similar act of imagination required, not so very long ago, from some ex-Europeans who had gone to live to the west of Europe.

The unlocking of the East is the opening of a vast new territory to a migration of ideas.

After the wagons will come the railways: A survey of the first cross-continent track begins soon. What started as a trickle at the Cumberland Gap in 1842, turning into a flood. Now, in 1992, something like this is suddenly possible for the third of Europe that has got itself organized into the European Community.

farmers moving in to take over the land. Those Europeans who go east will be bankers and managers and technicians and salesmen working on contract, most of whom will head back in their old homes in the west when their jobs are done. They will not be colonizers, because they will leave behind no colonies.

The opening up of the East, unlike the opening up of the West, is the unlocking of a vast new territory not to large-scale human migration but to a migration of ideas. This is the Western world's opportunity to spread, among its Eastern relatives and neighbors, the ideas that won the Cold War: a system of politics that puts rulers under the control of the ruled, and a system of economics that, warts and all, produces better results than any alternative so far discovered.

former Communist world — Poland, Hungary and Czechoslovakia — cannot begin for another four or five years.

You had thought that the Community's insistence on "deepening" its institutions before it could venture upon "widening" its membership would have been satisfied by last year's Maastricht agreement on economic and political union? You were wrong. They have to wait, it seems until after the Community has held another "deepening" conference of its own in 1996.

Personal Traits Matter, but So Does a Leader's Political Fitness

By Walter F. Mondale

MINNEAPOLIS — Despite the strong voter turnout in New Hampshire, many people remain deeply dissatisfied with how we Americans select our presidential nominees. Leading up to this year's campaign, we heard plenty of promises from the media about greater attention to the substance of candidates' ideas. Soon enough, though, personal issues took over.

minished their public judgment and power to govern effectively. Citizens should learn about the problems before candidates are elected, not afterward. But the present campaign is actually neglecting the qualities of character that relate most directly to the capacity to govern.

personal character, however, are more relevant questions about political character. Some of these questions are profound: What are the candidate's core political values? Does he have a firm sense of the direction in which he wants to lead the nation? Is he secure with himself — with his convictions and his conscience?

who know them, Americans have developed a self-nomination system which almost anyone with the ambition can run for president. A candidate is not required to pass any test; he or she does not need any organizational base of support; it is not even necessary for him or her to have been elected to office before.

November election. In these circumstances, the mass media become the only forum for dealing with questions of character, personal or political. Voters end up desperately trying to substitute for a nomination process that is incapable of passing judgment on character. Rumors begin to pass for news, and reporters are forced to engage in the psychoanalysis of candidates. Everyone involved is cheapened — the candidates, the reporters and the voters.

American Statesmanship, Too, Is in a Recession

By William Pfaff

PARIS — The reputation of George Bush as master of foreign affairs is both asset and handicap in his campaign for re-election. It is the thing he is supposed to be good at, but it invites the accusation that he cares little for domestic matters, and that the state of the American economy and society today shows it. His foreign policy reputation, however, is unjustified.

gas claim that the economic difficulties of the United States today are due to its overgenerosity toward others — who are "maintaining out of the Treasury," as Mr. Buchanan says of the International Monetary Fund, the World Bank and foreigners generally. America is supposed to get tough with them and its problems will be solved.

standing that the rest of the world cannot be defined in the categories of the privileged American experience. However, such an understanding is not a policy, only a precondition for serious policy. Mr. Tsongas says rightly that the problems of the United States are homegrown and that solutions will be found only there.

lems, is the better course for the country to take. Internationalization of the American economy will not be halted, but breakdown of the GATT system seems increasingly likely, with the result of producing three more or less protectionist blocs, in the Americas, Asia and Europe. This is another reason to think isolationism plausible.

Former Vice President Mondale heads the Mondale Policy Forum at the University of Minnesota Humphrey Institute of Public Affairs. He contributed this comment to The New York Times.

The Salvadoran Carnage Was Tolerated, or Worse

By Douglas Farah

BOGOTA — From 1979 to 1985, some 20,000 people were murdered by far-right death squads in El Salvador. Roberto d'Aubuisson, who died last Thursday of cancer, was the most notorious symbol of those death squads, which sprang from a bloody alliance between far-right military officers and one of the Western Hemisphere's more reactionary oligarchies.

lica of North Carolina, and Oliver North, at the time an obscure aide to the National Security Council.

would be found at one of several gruesome dumping grounds in the country. The Reagan administration claimed not to be able to figure out who was behind the killings. But former administration officials with access to intelligence data told me that by 1982 most of the leaders of the far-right death squads had been identified by Washington as officers in the Salvadoran security forces and military, with direct ties to Mr. d'Aubuisson. Only when U.S. public outrage threatened to move Congress to cut off aid to El Salvador did the Reagan administration finally act against Mr. d'Aubuisson and his network.

sent him to be trained in interrogation techniques by veterans of Argentina's dirty war. The most effective technique, he said, was strapping a prisoner naked to a metal bolt frame set in a pool of water several inches deep. Electricity carried through the frame would cause a special wire to the United States chose in its fight against Central American communism.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Riot in Berlin

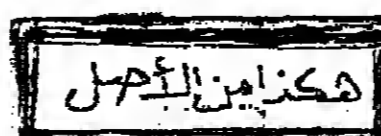
BERLIN — A great meeting of unemployed was held this morning [Feb. 25] in the hall of one of the large beerhouses in the South of Berlin, at which Socialist resolutions were adopted. Straggling companies of unemployed subsequently paraded the streets, and collected about one thousand strong. Cries were raised: "Give us bread" and "Give us work!"

1942: Against the Odds

WASHINGTON — [From our New York edition:] General Douglas MacArthur's forces, in a surprising offensive launched in the face of the overwhelming odds that confront them on the Bataan Peninsula, have driven the Japanese back from many of their positions and are continuing in hammer at the enemy. This was revealed in a War Department communique which led students of military affairs to voice the hope that the strengthening of the lines on which the American and Filipino soldiers are resisting a foe that is numerically at least ten times stronger.

1917: From the Front

PARIS — The most important event on the western front continues to be the German withdrawal and the Brit-



OPINION

Aimless Sniping at Canada In Lieu of a Serious Policy

By Jim Hoagland

WASHINGTON — What is 2.5 percent among friends? Enough to ignite a nasty trade dispute that undermines Canada's stumbling Conservative government and the chances for a North American free trade area.

Squabbles over Honda Civics take on such importance because there is no big picture.

Canada's national health system and you understand why Prime Minister Brian Mulroney must be wondering what he has done to deserve this treatment by his chums in Washington.

Philosophical Fitness

November election. In these circumstances, the mass media become a forum for dealing with questions of character, personal or political. Voters end up desperately trying to substitute for a nomination process that is incapable of passing judgment on character.



LETTERS TO THE EDITOR

Yes, Invest in Pakistan

Regarding the report "Trust Us and Invest in Us — Developing States Compete Hard for Western Favor" (Feb. 10):

It seems uncharitable to say that Pakistan attracted barely a ripple of attention from the hundreds of businessmen and journalists attending the annual World Economic Forum.

ABDUL HAFIZ KARDAR, Ambassador of Pakistan, Bern.

Duke Is No Huey Long

Regarding "1932 and 1992: Anger, Ugliness and Opportunism" (Opinion, Feb. 8):

I agree with Leslie H. Gels that "now, as 60 years ago, intellectual and political categories have broken down."

For Wife and Fatherland

Many commentators imply that it does not matter when a public figure commits adultery. But when a spouse breaks a vow to be faithful for life, it gives some idea about dependability.

MARGO E. PALMER, Geneva.

Myth America

I think that the French admire women like Jeanne Moreau and Simone Signoret not only for their seasoned beauty, as Joan Collins says (American Topics, Feb. 3), but for their intelligence, wit and professionalism — "character," it is called — much as Americans admire Katharine Hepburn or Helen Hayes.

Perhaps Ms. Collins has fallen victim to her own Myth America.

Now, that is silly. We are an enormous market and growing! We 40-plus (almost 50 here) have gained a bit of wisdom after all — the only thing we really are too old for is to be fooled. Hal

JANE W. SCHMITT, Paris.

Philanthropist Drexel

Regarding the report "Drexel's Last Spending Spree — Executives Got Millions in Bonuses Just Before Collapse" (Feb. 13) by Kurt Eichenwald:

When a name draws as much negative attention as Drexel has, it is time to remind readers that Anthony Joseph Drexel (1826-1893) was the antithesis of those who managed to plunder his good name in such a short time.

A. J. Drexel built his financial empire on honesty and good judgment. While many of his charitable contributions were made anonymously, he was less shy about underwriting the Drexel Institute of Art, Science and Industry — a college for the education of working-class children founded in an era when higher learning was out of reach for all but the privileged. His creation survives today as Philadelphia's Drexel University.

RICHARD M. CADWALADER, Stockholm.

So, Has Young California Turned Old and Cranky?

By Richard Reeves

LOS ANGELES — I did about half a Rip van Winkle on California, coming back to live here again after almost a decade in New York, Washington and Europe. When I left, this seemed a young place, with people ever on the move.

MEANWHILE

accident. I left not too long after state voters had approved Proposition 13, a ballot initiative that was basically a scheme by the people who got here first to preserve their life-style and life savings at the expense of newcomers.

I came back to see that Prop 13, called the Jarvis-Gann initiative when it was approved by voters in 1978, was finally being challenged in the U.S. Supreme Court. The plaintiff in the Nordlinger v. Hahn test case is arguing for simple justice (in legal terms the phrase is "equal protection of the laws"), saying that there is something wrong with laws that make one American pay many times as much in property taxes as the next-door neighbor in an identical house on an identical lot.

That is one of the effects, some unintended, some unintended, of Prop 13 after 13 years. The most publicized clause of Prop 13 was that taxes on all homes and businesses in the state were frozen at 1 percent of the assessed value of a property in 1975 — until it was sold, and then the new owner had to pay 1 percent of the purchase price.

Stephanie Nordlinger, a lawyer who bought a home here for \$170,000 in 1988, was paying \$1,700 a year in property tax — 1 percent of the price — when she discovered that the average tax bill of her neighbors in identical houses was \$376. The houses on her street had not been sold or resold over the years, and the owners were paying 1 percent of 1975 prices plus an inflation surcharge capped at 2 percent a year.

Other examples of inequity were more dramatic. The little houses at 923 and 927 Nowita Street near the beach in Venice are almost identical, but the assessed value and taxes are not. The owner of 923 Nowita, a 727 square-foot (68 square-meter) house that sold last year for \$335,000, pays taxes of \$3,413 a year, while the owner of 927, which has 909 square feet, bought the house in 1959 and pays taxes of \$291 a year.

There is a mansion behind the gates of Bel Air with an estimated market value of \$9 million and an annual tax bill of \$7,850. Outside the gates, a house one-fifth the size on a lot one-tenth the size pays \$8,850 in taxes — \$1,000 more than the mansion.

That is the way it is now, and it is getting worse every day. One effect is the same as the 40-year continuation of rent control in New York City. (It was initiated there in 1945 as an emergency measure when veterans came back to scarce housing.) Rent-controlled or Prop 13-protected, people have no economic incentive — quite the opposite — to leave large apartments and homes after their children are grown and gone. Growing younger families are driven farther and farther away from the jobs at the center of the city or are forced to pay higher and higher prices for housing because so much is being held off the market.

A second unintended effect of Prop 13 was that government, particularly local governments and school districts, have been driven to find or create more and more exotic (and often unfair) ways to raise revenues — user fees and new special purpose government agencies to evade the Jarvis-Gann provisions under which tax increases for existing municipalities and agencies must be approved by referendum with a two-thirds vote.

The final unintended consequence is that California is falling apart. There have been several mini-Jarvises during the past 13 years, spending caps and such that make it more and more difficult to find or create ways to raise revenues — user fees and new special purpose government agencies to evade the Jarvis-Gann provisions under which tax increases for existing municipalities and agencies must be approved by referendum with a two-thirds vote.

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Bank of Credit & Commerce International

Statement by the Majority Shareholders

On 20 February 1992 a proposed settlement was initiated by the Majority Shareholders and the liquidators of BCCI. This is the result of months of hard work to secure a fair deal for depositors and creditors following the closure of the bank.

The proposed settlement is the final chapter in the Majority Shareholders' campaign to secure a future for BCCI after they became majority shareholders in April 1990.

Events leading up to the Proposed Settlement

After becoming Majority Shareholders we discovered certain problem loans within the bank. We immediately sought to uncover the extent of the wrongdoing and identify the wrongdoers. We injected substantial amounts of fresh capital and brought about board and management changes including the removal from their posts of the bank's President and its Chief Executive Officer.

Our objectives were very clear; to ensure that the bank should be run properly and that it should operate successfully.

Towards the end of 1990 we produced a restructuring plan which continued to be developed and refined during the first six months of 1991.

At the same time we set up an investigating committee which included BCCI's auditors, Price Waterhouse, and began to discover what is now well known.

BCCI had sustained substantial losses for a number of years which had lain undiscovered. **They were revealed by the investigations instigated by us.**

All these initiatives were taken in co-operation with BCCI's auditors, Price Waterhouse, and the College of Regulators, including the Bank of England, who were kept informed of developments at every stage.

Nevertheless, on 5 July 1991, the Bank of England and other regulators closed the bank without warning and on information supplied secretly by Price Waterhouse in a draft Section 41 report, which contained no allegations of new fraud created within the bank after April 1990.

Since then we have set out to limit the damage caused by the closure. When it became clear that there was no future for the bank we began discussions with the liquidators to devise a plan to improve and speed up the overall return to creditors worldwide.

The Proposed Settlement

These discussions have led to the proposed settlement with the liquidators which when approved by the courts in the UK, Luxembourg and the Cayman Islands and by at least 70% of the creditors would include:

- || A very substantial payment by the Majority Shareholders.
- || A return to creditors estimated by the liquidators to be 30-40 cents in the dollar.
- || The Majority Shareholders taking on responsibility for certain liabilities of the BCCI branches in UAE.

Why this Proposed Settlement is right for depositors and creditors

- || The settlement avoids the need for long and expensive litigation in many different jurisdictions.
- || The liquidators have estimated that without such a settlement the return to creditors is likely to be less than 10 cents in the dollar and this return would not be made for a number of years, if at all.
- || Whereas it is estimated by the liquidators that the proposed settlement will, when implemented, provide depositors and creditors with 30-40 cents in the dollar.

All of this has been undertaken despite the fact that our original plan to restructure the bank was thwarted by the regulators and Price Waterhouse; and that Price Waterhouse's draft Section 41 report contained some very serious and completely unsubstantiated criticisms of the Majority Shareholders; and finally that we, as depositors, as investment clients whose funds have been misappropriated and as shareholders, are the largest losers by far.

After we became majority shareholders we devoted a great deal of time and energy in attempting to restore the reputation of the bank and to place it on a sound footing. Our task was frustrated by the closure of the bank in July 1991. In spite of this we have sought a solution which is fair and just for depositors and other creditors worldwide who, having placed so much innocent trust in the bank, have suffered so greatly.

The Majority Shareholders of the BCCI Group comprise:
the Government of Abu Dhabi, the Abu Dhabi Investment Authority and
the Department of Private Affairs of H.H. Shaikh Zayed bin Sultan al - Nahyan

24 February 1992

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	Div	Yield %	High	Low	Close	Change
IBM	3.00	4.2	115 1/4	114 1/4	114 3/4	+1/4
Microsoft	0.00	0.0	54 1/4	53 1/4	53 3/4	+1/4
Apple	0.00	0.0	42 1/4	41 1/4	41 3/4	+1/4
Oracle	0.00	0.0	38 1/4	37 1/4	37 3/4	+1/4
Novell	0.00	0.0	28 1/4	27 1/4	27 3/4	+1/4
Lotus	0.00	0.0	24 1/4	23 1/4	23 3/4	+1/4
McAfee	0.00	0.0	18 1/4	17 1/4	17 3/4	+1/4
CompuLink	0.00	0.0	14 1/4	13 1/4	13 3/4	+1/4
Perseus	0.00	0.0	12 1/4	11 1/4	11 3/4	+1/4
WorldCom	0.00	0.0	10 1/4	9 1/4	9 3/4	+1/4
VeriFone	0.00	0.0	8 1/4	7 1/4	7 3/4	+1/4
WorldView	0.00	0.0	6 1/4	5 1/4	5 3/4	+1/4
WorldWideWeb	0.00	0.0	4 1/4	3 1/4	3 3/4	+1/4
WorldWideWeb	0.00	0.0	2 1/4	1 1/4	1 3/4	+1/4
WorldWideWeb	0.00	0.0	1 1/4	1 1/4	1 1/4	0

INTERNATIONAL
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CURRENCY

Currency	Rate
British Pound	1.64
Japanese Yen	163.5
Swiss Franc	1.52
West German Mark	1.48
French Franc	6.55
Italian Lira	2036
Spanish Peseta	166.64
Portuguese Escudo	200.48
Belgian Franc	6.55
Dutch Guilder	3.76
Australian Dollar	1.55
New Zealand Dollar	1.35
Canadian Dollar	1.00
Mexican Peso	16.67
South African Rand	10.00
South Korean Won	200.00
Thai Baht	50.00
Singapore Dollar	1.00
Malaysian Ringgit	2.00
Indonesian Rupiah	1666.67
Philippine Peso	50.00
Chinese Yuan	8.27
Indian Rupee	47.50
Pakistani Rupee	100.00
Israeli Sheqel	1.80
Israeli Sheqel	1.80
Israeli Sheqel	1.80

INTEREST

Instrument	Rate
3-Month T-Bill	7.00
6-Month T-Bill	7.00
1-Year T-Bill	7.00
3-Month CD	7.00
6-Month CD	7.00
1-Year CD	7.00
3-Month Note	7.00
6-Month Note	7.00
1-Year Note	7.00
3-Month Bond	7.00
6-Month Bond	7.00
1-Year Bond	7.00
3-Month Swap	7.00
6-Month Swap	7.00
1-Year Swap	7.00
3-Month Swap	7.00
6-Month Swap	7.00
1-Year Swap	7.00

مكاتبنا في لندن

MARKET DIARY

Treasury Bond Sale Lifts Dow to Record

NEW YORK — Stocks surged Wednesday to another record high on the New York Stock Exchange as soaring Treasury bond prices pushed the Dow Jones industrial average up more than 25 points.

N.Y. Stocks

The Dow climbed 25.49 points to a new high of 3,283.32, just eclipsing the old record of 3,282.42 reached on Feb. 24. Volume was a hefty 240.7 million shares, and gainers outpaced losers by a more than 2-to-1 margin.

The over-the-counter market also advanced strongly, with the Nasdaq index climbing 11.00 points to 632.40. The American Stock Exchange index was up 4.19 at 413.97.

Stocks got their biggest push from the Treasury, where the 30-year benchmark bond was off its highs in late trading but still up 1-6/32 at 101-24/32, where it yielded 7.85 percent.

Profit-Taking Pushes Dollar Broadly Lower

NEW YORK — The dollar finished broadly lower Wednesday on technical selling and profit-taking. Dealers said the U.S. currency rose early in the session on a U.S. economic report showing that durable-goods orders rose modestly in January.

The durable-goods data sent the dollar soaring to 1.6630 DM. Although it receded amid profit-taking to 1.5490, dollar sentiment proved resilient toward the close.

Foreign Exchange

The British pound gained to \$1.7540 from \$1.7402. Earlier in London, the dollar finished lower against the mark after a volatile session. It also drifted lower against the yen and the other key currencies.

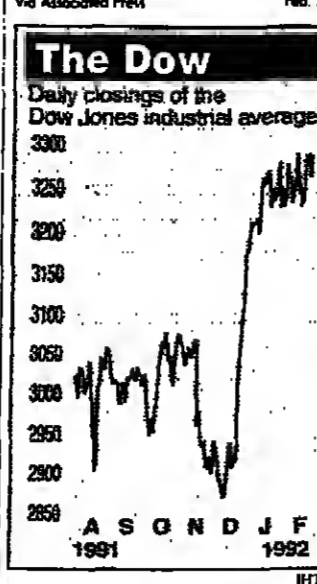
In late trading, the U.S. currency stood at 1.6495 DM, after opening at 1.6585. It closed at 129.75 yen, down slightly from 129.85.

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"It looks like many investors have decided the dollar is on its way up no matter what and are using any setback as an opportunity to buy their way in," said Robin Aspinall, senior international economist at J. Henry Schroder Wagg.

Dealers said the Japanese authorities had made it clear that a push above 130 would draw heavy fire from the Bank of Japan and possibly from U.S. and European banks as well. It was their sentiment that if this level could be broken, there were big gains to be made.

The dollar closed at 1.4955 Swiss francs, after opening at 1.5040, and at 5.6150 French francs, after 5.6400. The pound stood at \$1.7485 after \$1.7390.



Daily closings of the Dow Jones industrial average

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks including IBM, Microsoft, and Intel.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks including IBM, Microsoft, and Intel.

Amex Diary

Table with columns: Class, Prev., for Amex Diary.

NASDAQ Diary

Table with columns: Class, Prev., for NASDAQ Diary.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg. for Dow Jones Averages.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Chg. for Standard & Poor's Indexes.

NYSE Indexes

Table with columns: Index, High, Low, Last, Chg. for NYSE Indexes.

NASDAQ Indexes

Table with columns: Index, High, Low, Last, Chg. for NASDAQ Indexes.

AMEX Stock Index

Table with columns: Index, High, Low, Last, Chg. for AMEX Stock Index.

Dow Jones Bond Averages

Table with columns: Bond, Close, Chg. for Dow Jones Bond Averages.

Market Sales

Table with columns: Volume, for Market Sales.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, for N.Y.S.E. Odd-Lot Trading.

S&P 100 Index Options

Table with columns: Strike, Call, Put, for S&P 100 Index Options.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev., Close, Chg. for EUROPEAN FUTURES.

Food

Table with columns: Sugar, Cocoa, for Food.

Metals

Table with columns: Aluminum, Zinc, for Metals.

Financial

Table with columns: 3-Month Euro, for Financial.

U.S. FUTURES

Table with columns: Season, High, Low, Close, Chg. for U.S. FUTURES.

Grains

Table with columns: Wheat, Corn, for Grains.

Metals

Table with columns: Silver, Gold, for Metals.

Livestock

Table with columns: Cattle, Hogs, for Livestock.

Food

Table with columns: Coffee, Soybean, for Food.

Financial

Table with columns: U.S. T-Bills, for Financial.

Stock Indexes

Table with columns: SP Comp, NYSE, for Stock Indexes.

Commodity Indexes

Table with columns: Wheat, Soybean, for Commodity Indexes.

Market Guide

Table with columns: CME, NYSE, for Market Guide.

McCrory Files for Court Protection

NEW YORK (AP) — McCrory Corp. filed for protection from its creditors under Chapter 11 of the U.S. bankruptcy code on Wednesday.

Wal-Mart Sales Soar Amid Recession

BENTONVILLE, Arkansas (Combined Dispatches) — Wal-Mart Stores Inc., the nation's biggest retailer, reported on Wednesday record sales and profits for its 1991-92 financial year.

ITT Weighs Spinoffs to Boost Stock

NEW YORK (Reuters) — ITT Corp., the symbol of a major conglomerate for the last 20 years, said Wednesday it may split into smaller pieces to make itself more attractive to investors.

Hewlett-Packard and IBM in Alliance

PALO ALTO, California (Reuters) — Hewlett-Packard Co. and International Business Machines Corp. announced on Wednesday an alliance to develop and manufacture fiber-optic components for use in computers and peripherals.

Litton Posts Small Increase in Profit

BEVERLY HILLS, California (UPI) — The manufacturing conglomerate Litton Industries Inc. reported Wednesday earnings of \$43.3 million in its second quarter, ended Jan. 31, up 7.4 percent from \$40.3 million in the same period a year earlier.

Exor Is Ordered to Bid for Perrier

PARIS — An appeals court refused Wednesday a request by Exor SA and its allies for a delay to an order that Exor launch a bid for the stock it does not already own in Source Perrier SA.

World Stock Markets

Large table listing stock market data for various international markets including Amsterdam, Helsinki, Hong Kong, Brussels, Johannesburg, Frankfurt, London, Milan, Stockholm, Toronto, and Zurich.

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Stock Indexes

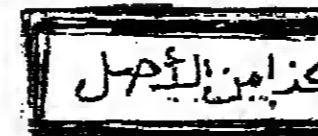
Table with columns: SP Comp, NYSE, for Stock Indexes.

Commodity Indexes

Table with columns: Wheat, Soybean, for Commodity Indexes.

Market Guide

Table with columns: CME, NYSE, for Market Guide.



NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time.

Table of NASDAQ stock prices with columns for stock name, price, change, and volume.

Table of NASDAQ stock prices (continued).

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EC Fines Aer Lingus For Impeding Midland

BRUSSELS—The EC Commission fined Aer Lingus, the Irish state airline, nearly 750,000 European Currency Units (€931,000) on Wednesday for trying to stop British Midland Airways from breaking its virtual monopoly on flights between London and Dublin.

Aer Lingus violated EC rules on fair competition by terminating decades of cooperation with British Midland when the private British airline started regular flights between London and Dublin in 1989, commission officials said.

The commission could have fined Aer Lingus up to 10 percent of its annual revenue. A spokesman said the fine was lenient because the case had set a precedent for the industry.

Family Reclaims Control Of Banco Espirito Santo

LISBON—The Espirito Santo family said Wednesday it had regained control of Banco Espirito Santo & Comercial de Lisboa, which was taken from it by the state after the 1974 leftist revolution.

The Espirito Santo Group has the absolute control of BESCL, said Ricardo Espirito Santo Salgado. The group-controlled holding company, Bepsart SA, and the insurance company it also controls, Tranquilidade SA, held 43 percent of the bank's voting stock after Tuesday's sale of the government's remaining 60 percent stake in the bank, which was nationalized in 1975.

Mr. Espirito Santo Salgado said Bepsart had spent 55 billion escudos (\$388 million) and Tranquilidade 10 billion escudos buying back the bank. Bepsart holds 36.7 percent and Tranquilidade 6.3 percent.

"We in the Espirito Santo Group feel great satisfaction at finally achieving the last and most important of the goals we set ourselves in 1975," said Antonio Ricciardi, president of the group's board.

PLANES: Japan Says No

(Continued from first finance page) jet carrying up to 800 passengers planned for service a decade from now.

British Aerospace also offered joint development of a new 100-seat regional airliner. Officials of Japanese companies said Wednesday that both proposals remained vague and any conclusion was at least six months off.

Analysts said the Japanese aerospace companies were keen to join in projects with the Europeans, but would proceed slowly and carefully so as to avoid antagonizing both Washington and Boeing.

Doing so will not be easy: the Japanese have agreed to seek permission from Boeing before developing an aircraft with more than 100 seats, a spokesman for Mitsubishi Heavy said. "Even if it's fewer than 100 seats, we'd have to confer."

Investor's Europe

Table showing stock indices for Frankfurt DAX, London FTSE 100 Index, and Paris CAC 40, including weekly and daily changes.

Very briefly:

- Alko NV posted its first quarterly earnings rise after seven straight quarters of decline, but it remained cautious about the outlook for 1992.
- Société Nationale Elf Aquitaine is quitting exploration in the United States, Egypt, Spain, Brazil, Australia and China, its chairman said in an interview published in the financial daily Les Echos.

BMW Shares Technology With Rolls

MUNICH—Bayerische Motoren Werke AG said Wednesday it had an interest in acquiring Rolls-Royce Motor Cars Ltd., and was helping introduce new technology to the subsidiary of the British engineering group Vickers PLC.

FIDELITY AMERICAN ASSETS N.V. Registered Office: Schotnegatweg-Oost 130, Curacao, Netherlands Antilles. NOTICE OF ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS. Please take notice that the Annual General Assembly of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 2:00 p.m. at Schotnegatweg-Oost 130, Curacao, Netherlands Antilles, on March 17, 1992.

Vertical text on the far left margin, including fragments like 'ted', 'mess', 'action', 'orse', and 'ARS'.

ASIA/PACIFIC

Australia: Spending to Save

Keating Plan Cuts Taxes, Aims to Draw Investment

Canberra — Australia's new prime minister, Paul Keating, announced Wednesday a package of economic changes and spending measures aimed at ending the country's recession and saving his political career by creating jobs, cutting taxes and boosting investment.

The plan would ease restrictions on foreign banks and overseas investors. And in a bid to make the country more internationally competitive, it would further deregulate the aviation industry, and change the business tax and depreciation rules.

Mr. Keating, who ousted Bob Hawke last December, presented the most radical package of measures since the Labor government took office nine years ago. "Our program will do more than speed our recovery from recession," he told Parliament, "it will build the Australia of the future."

Daimaru Cuts 200 Melbourne Jobs

MELBOURNE — Six months after opening a shoppe department store here, the Japanese chain Daimaru has dismissed 15 percent of the staff.

Daimaru said the layoffs of 200 of the 1,300 workers were required because the economy of the state of Victoria had not recovered as anticipated.

The job cuts were announced on the eve of the economic statement by Prime Minister Paul Keating, aimed at reviving the Australian economy and creating job opportunities.

China-U.S. Trade Talks Decline in Output Adds To Japan Economic Ills

End Mixed

Agence France-Press TOKYO — In more bad news for the Japanese economy, the Ministry of International Trade and Industry reported Wednesday that industrial production in January fell 0.8 percent from the previous month and 4 percent from a year earlier, while yet another electronics company, Mitsubishi Electric Corp., slashed its profit forecast.

The talks, which are to resume in early April, centered on U.S. demands for greater access to Chinese markets. They also came against the backdrop of a U.S. debate over renewal of most-favored-nation trade status for Beijing.

The company said directors had decided to appoint its senior managing director, Minoru Makihara, to replace the president, Shinroku Morohashi, in June. Mr. Morohashi was appointed chairman to replace Yohji Mimura.

New Managers For Mitsubishi

TOKYO — Mitsubishi Corp. announced Wednesday its first big management shake-up in five years, naming a new president with extensive experience in the United States and Britain.

Reckoning for India State Industries

NEW DELHI — Finance Minister Manmohan Singh yielded on Wednesday to opposition party protests and disclosed a letter he wrote to the World Bank outlining plans to shut down unviable state industries.

Investor's Asia table showing stock indices for Hong Kong, Singapore, and Tokyo, along with a line graph of the Hang Seng index from 1981 to 1992.

Very briefly: Japan's Ministry of Finance said it would investigate sales of securities at above market prices, with the promise to repurchase them at the same price plus interest; three securities firms have acknowledged such deals.

Large table of International Funds with columns for fund names, currencies, and other details. Includes sub-sections like ABC INVESTMENT & SERVICES CO., INTER STRATEGIE, and various international and domestic equity and bond funds.

SPORTS

Nintendo Age of Tennis? Some See a Frankenstein

By Robin Finn
New York Times Service

NEW YORK — After a querulous semifinal outing recently in Chicago, where she later made history by securing her 158th title, Martina Navratilova roused on the outbursts that tennis professionals often direct at the linesmen who pass judgment on their shots.

counterparts were on the money with 92 to 93 percent of their calls — not bad for the naked eye.

That means players might be asked to play the futuristic way one week and the old-fashioned way the next.



Jim Abbott, a bored Angel now, will win the Cy Young award.

Pssst! 12 Sure Things! Honest! '92 Baseball Season Revealed

By Thomas Boswell
Washington Post Service

WASHINGTON — Baseball isn't the game of surprises. In the last 15 years it has become the sport of incredulous shock. So each spring, we make brave little prophecies and each year they look pathetically timid in hindsight.

(3,015) than any batter last year. He mashes the ball to all fields — 28 percent to left, 35 to center, 37 to right. He's a monster in his home park, slugging .708 at home and .411 on the road; he's hitting .376 against left-handers. What if he starts to hit well against righties on the road?

Vantage Point

Washington Post Service
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Unbeknownst to most players and linesmen there, because it was hurried beneath the Supreme court surface, the Sensor Courts system was tested by the ATP tour.

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Either Albert Belle or Kevin Mitchell will hit 50 home runs.

Either Albert Belle or Kevin Mitchell will hit 50 home runs. Belle had 28 homers in 461 at-bats last year — only eight in Cleveland's vast park. Now the Indians have moved the fences in to normal depth. If Belle has 600 at-bats, watch out.

The alternate solution to player-linemen flaps is one in which robot surrogates don't hit the balls but do call the lines. The system made its debut in semiprofession last week at the U.S. Pro Indoor in Philadelphia.

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Légion d'Honneur for Killy

PARIS — Jean-Claude Killy, the inspiration behind the Winter Olympics in Albertville, will receive France's highest honor along with the country's three gold medalists, the government's minister of culture and communications, Jack Lang, said Wednesday.

Title Beckoning, Tomba Speeds Up

MILAN — Following a family "summit," triple Olympic champion Alberto Tomba has decided to compete in Sunday's super-giant slalom in Morioka, Japan, to keep alive his chances of winning the World Cup overall title.

BOOKS

BILLIE DYER AND OTHER STORIES

By William Maxwell, 117 pages, \$18.
Alfred A. Knopf Inc., 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Michiko Kakutani
THOUGH William Maxwell's latest book, "Billie Dyer and Other Stories," reads like fiction, it is actually a series of interlinked autobiographical vignettes, entwined by the author's use of imaginative sympathy and projection.

BRIDGE

By Alan Truscott

EVERY beginner learns, or should learn, a simple rule: As declarer in a trump contract look for an opportunity to ruff something in the dummy. But the chance may be very hard to spot, as was the case on the diagrammed deal from a rubber bridge game.

A bridge deal diagram showing North and South hands. North has 4 spades, 3 hearts, 1 diamond, 2 clubs. South has 1 spade, 4 hearts, 2 diamonds, 4 clubs. The deal is in a 4-3-3-3 distribution. The text discusses the bidding and the declarer's strategy to ruff a club in the dummy.

PEANUTS

I LOVED YOUR REPORT TODAY ON RAINWATER, SIR. I HOPE THE TEACHER GAVE YOU A GOOD GRADE..

ANOTHER D-MINUS!

BEETLE BAILEY

YOU'LL LOVE MY PLAN, SIR... ROTATING SHIFTS!

YOU SEE, THERE ARE "DAY PEOPLE" AND "NIGHT PEOPLE"...

CALVIN AND HOBBS

WHAT'S WRONG WITH EASTER ISLAND? I LIKE EASTER ISLAND.

IT WORKED OUT. HE'S A "YES MAN" AND I'M A "NO MAN."

WIZARD OF ID

I WONDER IF THEY HAVE A PRESS CODE?

DELIVERIES IN THE REAR

DOONESBURY

YOU REMEMBER SPERRY WALKER, THE BEST FRIEND IN HIGH SCHOOL? HE HAS ABOUT THE SAME GRADUATE, BUT SPERRY COLLECTS SNEAKERS WHILE SPERRY COLLECTS SNEAKERS.

BLONDIE

SHE NEVER SAID A WORD WHEN HE HIT THAT GREAT HE WAS OUT LIKE A LIGHT.

SKNX

SKNX... AND FURTHERMORE...

GARFIELD

PEOPLE SAY DOGS ARE BETTER AT TRICKS THAN ARE CATS.

JUMBLE

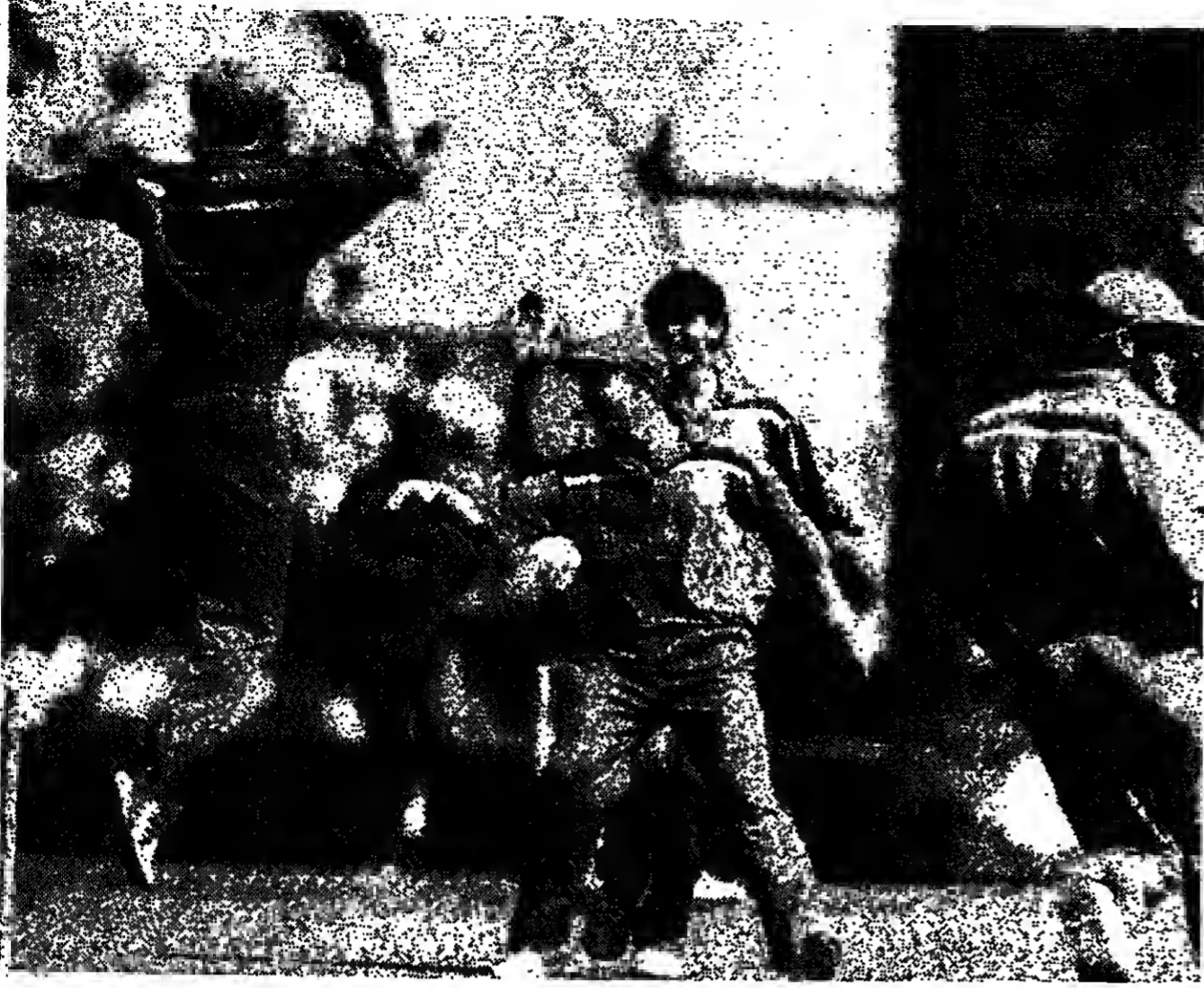
POANI, RYPAH, STEEWF, FEWURC

DENNIS THE MENACE

IT'S AN DAD'S IDEA HE SAID, MR. HILSON SHOULD HAVE HIS HEAD EXAMINED.

SPORTS CHRONICLE

South Africa, Back With a Bang, Stumps Defending Champions



The South Africans began their celebration when opener David Boon was run out for 27; it would prove to be Australia's top score.

SYDNEY — South Africa made a stunning return to the grand stage of international cricket Wednesday night, defeating defending champions Australia by nine wickets in a World Cup match. Chasing Australia's meager total of 170 for nine in 49 overs, with one batsman retired hurt, South Africa made 171 for one to cruise to victory with 13 balls to spare. Captain Kepler Wessels was named man-of-the-match after scoring an unbeaten 81 against the team he used to play test cricket for. "It was a fantastic job by them, especially after the start we got," said Australia's captain, Allan Border. "It was an all-round effort in the fielding, bowling and batting—they were spot on." Wessels, in a cautionary note, responded that "one win does not make a World Cup and we've got to win a lot more games."

South Africa returned to international cricket only late last year, after a 21-year absence because of its policy of apartheid, and did not play in the four previous World Cup tournaments. A number of South Africans were waved vigorously throughout the match, and the first South African team to play in Australia for 28 years was given a warm welcome by the crowd, which cheered its appearance but grew progressively quieter as the South Africans took control. In a further blow to Australia, wicketkeeper Ian Healy tore a hamstring while batting. He was replaced by David Boon behind the stumps. Healy is the only full-fledged wicketkeeper on the 14-man squad, so the Australians will be severely handicapped if he does not recover in time for the next match against India in Brisbane on Sunday. Under World Cup rules, teams may replace members of their squads only in exceptional circumstances, and it was uncertain if Healy's injury would qualify. Boon and Steve Waugh were the high scorers for Australia with 27 each while fast bowler Allan Donald took three wickets and medium pacer Brian McMillan and Adrian Kuiper had two each for the South Africans. Donald and Richard Snell put

the South Africans into a winning position, Donald took three wickets for 34 from 10 fiery overs, while Snell conceded only 15 runs from nine compact overs. The West Indians were bubbling with confidence Wednesday and convinced they will mount a powerful challenge to regain the trophy they won in 1973 and 1978. "Although the team has an overall limited-overs record of 144-60-4, it has slumped in recent months. But, said its captain, Richie Richardson. "We have got things going as we like and I don't think we are going to lose too many games."

The English have decided against risking key batsman Allan Lamb in Thursday's match. Lamb has been sidelined for more than two weeks with a hamstring injury. The team's coach, Mickey Stewart, said Wednesday that it was pointless to gamble on further injuring the South African-born run-maker. Stewart said it was hoped that Lamb could return to action for Sunday's game against Pakistan. The injuries to two key players, Athula Samarasekera and Ramesh Ratnayake, have forced Sri Lanka to rethink its tactics for the tournament, its captain, Aravinda de Silva, said Wednesday. De Silva said he had not decided on a replacement for Ratnayake, who will have to undergo shoulder surgery. (AP, Reuters, AFP)

Pitt Hope Rallies Against U Conn

PITTSBURGH — A few weeks ago, the game figured to affect the Big East Conference race. And so it did: Connecticut and Pittsburgh are now tied for the second-division lead. That's what losing six of seven games did to Connecticut, what losing four of five did to Pittsburgh. But Pitt (16-12, 8-7) was again talking up the National Collegiate Athletic Association tournament after an 86-77 victory Tuesday over No. 24 Connecticut (17-7, 8-7). A loss to Connecticut, which had beaten them five straight times, might have shifted the Panthers' focus from the NCAA to the National Invitation Tournament. "All we're focused on right now is the NCAA," said Darren Morningstar, who scored 19 points. "We know what we have to do."

NBA's Golden State: No Flash in the Pan

WASHINGTON — At first glance, the inclination is to dismiss the Golden State Warriors as one of the latest sports fads, kind of like Andre Agassi and the Buffalo Bills — sure, they're fun to watch, but will they ever win the big one? Although Chicago showed last year that a National Basketball Association championship can be won without a dominant center, the Bulls also probably didn't see as many running one-handers or forced one-on-three fast breaks in all of their championship season as the Warriors are likely to put up in a single game. Besides, Chicago did have proven veteran and once-upon-a-time 20-point scorer Bill Cartwright in the middle. The Warriors' pivot tandem, Tyronne Hill and rookie Victor Alexander, have a total of 74 career aparts, with the fifth of Alexander the only first comparison to a twin tower.

It's fitting that Nelson is the leader of this motley crew. Although he's won 701 games, just seven away from eighth place on the league's all-time list, and is one of only five coaches in NBA history — with Red Auerbach, Pat Riley, K.C. Jones and Billy Cunningham — to be more than 200 games over 500, Nelson has a reputation as a "gimmick" coach, whose isolations on offense and disguised zone defenses can cause havoc during the regular season but are easily solved in the playoffs. After just missing out on the finals with some stellar Milwaukee Bucks teams a decade ago, in recent years Nelson almost became renowned for wearing and giving out antographed fish ties and putting adhesive tape over the brand name of the athletic shoes he wore during games as he was for his coaching. In a sense, Nelson has been shunted aside in the eyes of the public. The Knicks' coach, Pat Riley, serves as the sideline's matinee interest and Detroit's Chuck Daly draws the acclaim as the great motivator. Not so coincidentally, both have won more than one championship, which is why each was higher on the list (along with the Clippers' new coach, Larry Brown, who led Kansas to the 1988 NBA title) than Nelson when it came to choosing the coach for the 1992 Olympic Games. It was an honor that Nelson acknowledged he coveted. "Nellie is a championship coach who simply hasn't yet won a championship," said Riley. "To do it you've got to have the horses. The only time he had a legitimate chance was with the Bucks and that was when Boston and L.A. were at their peaks and they didn't quite get it done. You also have to be fortunate. I was in Los Angeles, K.C. was in Boston, Bill Fitch was with the Celtics. You only get so many chances."

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marked his first participation in the contest in a 1990 year (and league record 2,490-game) NBA affiliation as player and coach. And, although the pet pig he recently purchased — and had to give away by order of the local department of health — may suggest otherwise, Nelson has shed most of the eccentricities that had threatened to overshadow his coaching ability. "I've changed some — I hope we all change some — but not too much," he said. "I still want to win the championship. I have that drive within me to win it — it's certainly more important to me than it is to anyone who talks about why I haven't won it — but I don't think there's a lot more that I could do than what I've already done. "Coaching is kind of like golf. The harder



Don Nelson 'is a championship coach who simply hasn't yet won a championship. To do it you've got to have the horses.' Pat Riley, coach of the New York Knicks

Pitt's Chris McNeal had 23 points and 12 rebounds in his best game in weeks. Connecticut, which has skidded from 16-1 to 17-7 in just three weeks, got only five points from its top scorer, Chris Smith. No. 22 Syracuse 76, Boston College 70; In Syracuse, New York, Lawrence Moten and Addison Aury, both scoreless in the first half, helped the Orangemen end a four-game losing streak. Moten scored 18 points and Aury 14 as Syracuse (17-7, 9-6) overcame an 11-point halftime deficit for its 16th victory over Boston College (15-9, 7-8) in the last 17 meetings.

Whatever, with the second-best road record in the league, more and more people are starting to believe the Warriors may actually find their way into the NBA finals come June. "Lots of teams haven't made it to the finals but they're certainly capable," said Mark Jackson a guard for the Knicks, after a recent Golden State victory in New York. "It's just that they're different, and they like being different. The game can get ugly when you play them."

Most college coaches cringe at what they perceive to be the lack of control and discipline

SCOREBOARD BASKETBALL NBA Standings Eastern Conference Atlantic Division Western Conference Midwest Division Pacific Division

HOCKEY NHL Standings Wales Conference Patrick Division Adams Division Campbell Conference

World Cup Australia vs. South Africa Standings

BASEBALL American League National League

SIDELINES IAAF Expected to Admit South Africa For the Record

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PEOPLE

Natalie Cole Record Is Big Grammy Winner

Natalie Cole's tribute to her late father, Nat King Cole... including a spliced-together duet with him on his signature song... yielded an "Unforgettable" evening for the singer, winning seven Grammy awards.

A harmonious end is in sight in the opera-star war sparked by the tenor José Carreras's ex-cousin, a fellow Spaniard and tenor, Alfredo Kraus.

La Toya Jackson has begun rehearsals for a one-year stint at Paris's celebrated Moulin Rouge night club.

Clayborne Carson and the King Papers

By Carla Hall Washington Post Service

PALO ALTO, California — When he was 13 years old, Martin Luther King Jr. stumped his Sunday school class by denying the resurrection of Jesus.



Stanford historian Carson stumbled on plagiarism.

For Clayborne Carson, there was never a calling to be editor of King's papers. Just a call, late one night. It was from Corretta Scott King.

At first Carson turned her down. A Stanford University professor of history whose field is civil rights, Carson would have been happy just to write books and teach.

Before he could even finish the first volume, he had already tackled one high-profile crisis — revelations that King plagiarized passages in his doctoral dissertation.

What you would not call Carson is keeper of the flame. As a young man he had indeed admired King — but from the distance of a generation.

And even after Carson had taken this job and begun collecting King's papers, he wrote with a certain detachment in a 1990 collection of essays, "If King had never lived, the black struggle would have followed a course of development similar to the one it did."

Carson marvels that Corretta Scott King was brave enough to relinquish control over what gets published about her husband to anyone, let alone a seemingly dispassionate academic.

"She could have simply hired somebody to come to the King Center in Atlanta and work directly under her supervision. I don't think most people on the outside would have begrudged her that," Carson says.

He acknowledges the awesomeness of the King legend: "I don't think anyone symbolized the black struggle of the '50s and '60s better than King."

But Carson doesn't bend and twist under the weight of that legend. He is no prisoner of any emotional obsession with King. He does not believe in singling out great figures to explain history.

far, nothing has surprised Carson more than the discovery of King's plagiarism.

"I don't remember feeling really shocked. Saddened, I guess, is a good word," he says.

Carson and his staff ran across possible incidents of plagiarism in 1988. They were studying King's doctoral thesis, "A Comparison of the Conceptions of God in the Thinking of Paul Tillich and Henry Nelson Wieman," written at Boston University.

"There are some passages that are pretty much word for word," says Carson, mainly from Tillich, the subject of the thesis. "Rather than paraphrase, he just kind of took it."

"I felt it was very disruptive for the project," Carson notes. "It was not good for morale. I think there is among the staff, among students and postdocs who work here, a certain idealism that energizes all of our work."

And they had to keep looking for other examples. "I don't even know how to describe it," Carson says. "It was like everything that you read, you thought, 'Is this a potential source for King?'"

He searched the documents for clues — had King been conscious of what he was doing? Did he feel guilty? "It was just a puzzle. I remember it was just kind of eating at me," he says.

"That was painful for him," remembers his wife, Susan, who is also the librarian on the project. "If he had a personal letter where [King] wrote something like he was having trouble with the dissertation or looking for shortcuts — but there really is nothing."

"Even as a whole, there's a range of activity going on that constitutes on the one end plagiarism and on the other end, maybe paraphrasing," he says. "So we felt that the best way of doing it was to say, 'Yes, he did plagiarize passages, and to leave the judgments about which ones to somebody else. When the [second] volume comes out next year, then people will be able to look at it and make their own decisions.'"

ART BUCHWALD

A White House Slugger

WASHINGTON — It is generally agreed among political experts that Pat Buchanan is the pit bull of the 1992 elections.

People did not take him seriously until New Hampshire. Now there is tremendous concern.



Buchwald

Let's fast-forward to 1993. Buchanan has turned the Oval Office into a gym.

"Mr. President, you're going to have to stop slugging everyone who comes into the White House."

"Including the Republicans who supported George Bush?"

"Well, what you're doing doesn't look good. Here is a headline in People magazine: President Decks Prince Charles at British Embassy Garden Party."

"Mr. President, you probably have good reason for beating up on everyone, but there are other ways of handling world situations."

"I promised to bring America back to the people, and the only way I know how is with my knuckles. Now what about the Japanese prime minister? Does the CIA have any information on whether he has a black belt in karate or not?"

"The art treasures surfaced in 1990. The Lutheran Church of Quedlinburg, in eastern Germany, sued to have them returned. The Dallas Museum of Art has had custody of the art while the dispute is resolved.

your fist into President Mitterrand's stomach in Brussels.

"He didn't say that. He said that the ties between France and the United States are as strong now as they were when Lafayette came to America."

"He said that, but he was thinking about the dollar. Besides I hardly knocked the wind out of him. It was a love tap."

"Mr. President, you're probably have good reason for beating up on everyone, but there are other ways of handling world situations."

"I promised to bring America back to the people, and the only way I know how is with my knuckles. Now what about the Japanese prime minister? Does the CIA have any information on whether he has a black belt in karate or not?"

"The art treasures surfaced in 1990. The Lutheran Church of Quedlinburg, in eastern Germany, sued to have them returned. The Dallas Museum of Art has had custody of the art while the dispute is resolved.

Germany to Get Church Treasure

DALLAS — An agreement was finally signed to return the priceless artifacts brought home after World War II by a U.S. soldier to the German church in Quedlinburg that owned them.

The soldier's heirs will be paid less than \$1 million for returning the relics and a lawsuit against them will be dropped, said their lawyer, Randall Mathis.

"The art, made of gold, silver, ivory and crystal, was crafted from the 8th to the 16th centuries. Former U.S. Army Lieutenant Joe T. Meador apparently took the relics in 1945 from a mine shaft where they had been hidden during the war.

The art treasures surfaced in 1990. The Lutheran Church of Quedlinburg, in eastern Germany, sued to have them returned. The Dallas Museum of Art has had custody of the art while the dispute is resolved.

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